

Comments

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All the views here are purely personal.

Monetary Policy

- New policy framework
 - Inflation-overshooting commitment
 - QQE with Yield Curve Control
- Background
 - Need to strengthen commitment amid weakened inflation expectations
 - Real interest rates in comparison with natural rate
- In line with Fund advice
 - Clear communication and better use of forward guidance
 - Policy coordination

Income Policy

- Deflationary mindset needs to be dispelled, but it is so entrenched...
 - Benchmark for wage increase
 - Sluggish private consumption, slow portfolio rebalancing
 - Japan is really becoming less Ricardian?
- Adaptive formation of inflation expectations
- Income policy plays a pivotal role
 - Minimum wage and base pay increase
 - Labor market rigidity
 - Tax incentive to discourage cash hoarding by firms and households